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15-02-00-0069-219
Date: May 11, 2015

Rebecca Watson
Welborn, Sullivan Meck and Tooley, P.C
1125 17th Street
Suite 2200
Denver, Colorado 80202

Dear Ms. Watson:

On February 10, 2015, you filed an objection on behalf of SG Interests I, Ltd. regarding the White River National Forest's *Oil and Gas Leasing Decision*. The legal notice for that project was published in the *Glenwood Springs Post Independent* on December 12, 2014, which initiated the 60-day objection period. Your objection was timely. This letter is my written response to that objection, as required by 36 Code of Federal Regulations (CFR) 219.56(g).

To satisfy 36 CFR 219.57(a), an objection resolution meeting was held with the objectors in Glenwood Springs, Colorado on April 27, 2015. You attended that meeting along with other objectors. I was in attendance as was Scott Fitzwilliams, Supervisor of the White River National Forest and staff from both the forest and the Rocky Mountain Regional Office. We were unable to resolve your objections at that meeting.

Project Subject to Objection

The White River National Forest proposes to make portions of that forest available for oil and gas leasing, to adopt stipulation requirements for use on those lands, to close other portions of the forest to oil and gas leasing, and to amend the White River National Forest Land and Resource Management Plan (LRMP).

Three alternatives were considered in detail in this project's final environmental impact statement (FEIS). These alternatives included:

- Alternative A – No Action (current management);
- Alternative B (Scenario 1 & 2) – No New Leasing;
- Alternative C (Scenario 1 & 2) – Proposed Action.

Scenario 1 assumes the 39 leased/undeveloped parcels would expire or terminate and subsequently be closed to future leasing through management direction (Alternative B) or a combination of closed to future leasing through management direction and available for lease (Alternative C).

Scenario 2 assumes the 39 leased/undeveloped parcels would not expire and would be developed under the 1993 WRNF Oil and Gas Leasing stipulations and/or stipulations they were leased under.



As detailed in the Draft Record of Decision (DROD) for this project, a combination of Alternatives B and C was selected for implementation.

Objection Responses

Following are summaries of the objection issues, paraphrased from the actual objections filed by the addressee. The agency response then follows each summarized issue.

Objection Issue 1: The White River National Forest Oil plan fails to adequately consider potential consequences of an upcoming decision of the Bureau of Land Management (BLM) on existing leases in the White River National Forest, specifically SG's interests in the Thompson Divide.

Objection Response – Oil and gas leasing on National Forest System land (NFS) is a collaborative process between the BLM and the Forest Service. The BLM is in the process of analyzing 65 previously issued leases in the White River National Forest. The BLM announced that effort through publication of a notice of intent on April 2, 2014. That publication occurred between the release of the White River National Forest Oil and Gas Leasing Project Draft Environmental Impact Statement (DEIS) and Final Environmental Impact Statement (FEIS). The FEIS and DROD include extensive references to the BLM effort. (FEIS Sections: 1.4, 1.5, 3.6, Response to Comments and DROD). BLM has not made a final decision.

The project analysis was based on the assumption that 26 of the 65 existing leases were either part of a unit or held by production (developed) and 39 of the existing leases were undeveloped. Two scenarios were then developed for the FEIS which modeled how those leases might be managed in the future. (FEIS Section 3.2.10 and DROD) The FEIS used the best information available at the time the analysis was conducted, disclosed that information and fully and adequately considered the information in its draft decision. The DROD clearly stated that the White River National Forest leasing decision does not affect existing leases.

The White River National Forest Oil and Gas Leasing Decision encompasses lands outside of the BLM analysis area. Delaying the Forest Service decision would impact management well beyond the area containing the 65 leases in question. The timing of the White River National Forest Oil and Gas Leasing Decision is justified as the FEIS and DROD make clear that the White River National Forest leasing decision does not affect existing leases. The timing of the decision is appropriate.

Objection Issue 2: The White River National Forest Oil and Gas Leasing Decision closure of the entirety of the Thompson Divide is arbitrary and is not supported by data in the DEIS or FEIS. The FEIS should have included an analysis of whether other resource values could have been adequately protected through lease stipulations or other means, while still permitting some future leasing.

Objection Response – The Forest Service considered leasing areas in Thompson Divide with necessary stipulations. Specifically, Alternative C analyzed the effects of all lands within the Thompson Divide being available for leasing (DEIS 2-49). As set out in the decision, Alternative C was modified between the DEIS and DROD based on input received

during the public comment period. The rationale for the decision and factors considered are fully disclosed and discussed in the analysis (FEIS Section 1.5 and DROD).

The action of an agency may be arbitrary and capricious if the agency overlooked evidence, made a decision unsupported by the facts, made a decision that lacks logic, or made a clear error of judgement. None of these criteria apply to the decision described in the DROD, because the analysis considered an appropriate range of alternatives from no leasing to leasing with stipulations, and the DROD fully disclosed the rationale and factors considered in the decision.

Objection Issue 3: The oil and gas plan represents a biased view of oil and gas development and violates the Forest Service multiple use mandate.

Objection Response – NEPA requires consideration of a range of alternatives in any proposal that involves conflicts of alternative uses of available resources. The Forest Supervisor considered three alternatives in this decision. Multiple uses are considered in both the FEIS and DROD, and the decision maker has the authority and discretion to decide among alternatives in the decision.

The Multiple-Use and Sustained-Yield Act of 1960 was incorporated into the analysis as a guiding document of the FEIS. (FEIS Section 1.4.1) The Forest Supervisor further explained his consideration and incorporation of the multiple-use sustained-yield management principles in development of the oil and gas EIS in response to public comments. The consideration of multiple-use management is explained within the decision rationale section of the DROD. The consideration of, and the Responsible Official's attention to, the Forest Service multiple-use mandate is clearly demonstrated throughout the analysis. (FEIS and Response to Comments), and was the basis for the decision documented in the DROD.

Suggested Remedies:

In your objection, you asked that the Plan and DROD be substantially revised to cure the numerous deficiencies you identified.

Conclusion:

Based on my review of your objection, the FEIS, and objection record, I find no violation of law, regulation, or policy. However, I agree that the Final Record of Decision should better describe the selected alternative, how the expected effects of the alternative were considered, and provide clear rationale for the combination of Alternatives B and C. By copy of this letter I am instructing the Responsible Official, Forest Supervisor Scott G. Fitzwilliams to address this issue. As required by 36 CFR 219.58(a), Forest Supervisor Fitzwilliams cannot sign a decision for this project until all instructions have been addressed. This response is not subject to further administrative review by the forest Service or the Department of Agriculture pursuant to 36 CFR 218.57(b)(3). If you have any questions or concerns regarding this response, please contact Nancy Miller at 303-275-5373 or njmillier@fs.fed.us.

Sincerely,

A handwritten signature in blue ink, appearing to read 'J. Bedwell', with a stylized flourish at the end.

JAMES S. BEDWELL
Acting Deputy Regional Forester
Reviewing Official

cc: Scott Fitzwilliams, Sarah Hankens, Wendy Haskins